



REQUEST FOR PROPOSALS

June 17th, 2010

PERIOD OF PROPOSAL SUBMISSION ENDS:

5:30 PM, July 9th, 2010

The U.S.-China Economic and Security Review Commission (hereafter “the Commission”) invites submission of proposals to provide a one-time unclassified report on the efforts of both the United States and China to achieve a leading position in the development and manufacture of green technologies, and the implications of such efforts for the future of the U.S. economy and the U.S. manufacturing base. This request for proposals (RFP) supersedes an earlier RFP on this topic released by the Commission (Federal Business Opportunities solicitation number USCC-016, dated Feb. 9, 2010). An associated memorandum for this RFP (copied at the end of this RFP) further clarifies aspects of green technology development in China that the Commission believes have already been covered in other recent studies, and which do not need to be addressed in this project.

ABOUT THE COMMISSION. The Commission was established by Congress in 2000 to monitor and report to Congress on the economic and national security dimensions of the United States’ trade and economic ties with the PRC. Further details about the Commission are available on its website at: www.uscc.gov .

The Commission solicits this research pursuant to its Congressional mandate (contained in 22 U.S.C. 7002), which states that “The Commission... shall investigate and report exclusively on –

...

ECONOMIC TRANSFERS—The qualitative and quantitative nature of the transfer of United States production activities to the People's Republic of China, including the relocation of high technology, manufacturing, and research and development facilities, [and] the impact of such transfers on United States national security... and the effect of such transfers on United States economic security and employment...

ENERGY—The effect of the large and growing economy of the People's Republic of China on world energy supplies and the role the United States can play (including joint research and development efforts and technological assistance), in influencing the energy policy of the People's Republic of China...”

ABOUT PROPOSALS. The Commission solicits proposals from contractors capable of providing a one-time unclassified report on the efforts of both the United States and China to achieve a leading position in the development and manufacture of green

technologies, and the implications of such efforts for the future of the U.S. economy and the U.S. manufacturing base.

Key issues and questions to be addressed by the report are:

1. Assess parallel developments of both the U.S. and Chinese “green technology” sectors. What are the comparative efforts being made in both countries to achieve a leading position in the development and manufacture of green technologies?
2. Identify the leading green technologies under development. Identify how each country’s efforts correlate to the green technologies list identified by the World Bank. What is the comparative “state of the art” in these technologies in both the United States and China – i.e., who is “leading” and who is “lagging” in the development of these technologies? What are the most prominent companies and research institutions developing these technologies in each country? And, how does the development of green technologies in the United States and China compare with related efforts in other parts of the world?
3. The Chinese government offers considerable support to its domestic green technology producers (through the employment of industrial subsidies, favorable tax policies, restrictions on market access by foreign competitors, etc. – see associated memo). Provide analysis in regards to the substantive impact of these supports – i.e., have subsidies affected the quality of Chinese-manufactured green technology equipment, etc.? Also, how do public policy supports for green technology development within the United States compare to these government programs in China?
4. If such steps have been, or could be, taken, which of the Chinese government’s supports to its domestic green technology producers might violate international rules regarding industrial subsidies (including both prohibited and actionable subsidies, as defined by the WTO)?
5. What role has China played at WTO talks on a sectoral agreement on environmental goods? How might a sectoral agreement in this area advance U.S. and Chinese interests? Identify the current trade barriers, if any, maintained by Chinese in the area of environmental products and whether those barriers would be addressed by the current approach being taken by U.S. trade negotiators.
6. China has signaled that it intends to limit government procurement of technology products that don’t have Chinese intellectual content. How does this relate to China’s WTO commitments? What would be the effect of such a policy on U.S. industries? What would be the effect on U.S. companies and industries if this restriction were also adopted by China’s state owned enterprises?

7. Assess the overall balance of trade between China and the United States in such technologies, as well as the specific trade patterns, over the last five years, in each major product area.
8. What is the state of market penetration and market access for U.S. and other foreign producers in China's green technology market? What U.S. companies have been able to supply green technologies for use in China? To what extent are these products produced in the United States?
9. What is the state of market penetration and market access for Chinese producers in the U.S. green technology market? Identify specific sourcing and development contracts that Chinese companies have engaged in to supply green technologies to the U.S. market. As part of this effort, review specific opportunities for providing Chinese content that have been created by Section 1603 of the American Recovery and Reinvestment Act (for example, the "Texas Wind Farm" project). Identify any other ARRA or other U.S. federal funds that have been used to procure Chinese-sourced green technology products or components.
10. Identify Chinese investment activities to manufacture green products within the United States for use in the U.S. market. How are these facilities going to be sourced, and what is the percentage of U.S.-produced components that will be utilized in such facilities (for example, the Chinese-announced photovoltaic assembly facility to be located in Arizona)?
11. China has developed thriving industries in solar panels, wind turbines, and optoelectronics. What are the identifiable factors that led to China's preeminence in these fields? Also, to what extent are these products being manufactured for export, and to what extent are they produced for domestic consumption?
12. In terms of joint ventures in the green technology sector between foreign and Chinese firms, are there any identifiable issues related to the potential transfer to China of dual-use technology, and/or the transfer of manufacturing and managerial know-how that could have spin-off benefits for military-industrial manufacturing?

Additional Requirements of the Commission:

1. Prior to the award of any contract, the contractor must be registered in the federal Central Contractor Registry (CCR).
2. Once a contractor has been selected for this project by the Commission and a contract signed, public notice of this will be made on the Commission's website.
3. The Commission's goal is to have a report prepared for review in a timely fashion. In ordinary circumstances, once a contractor has been selected by the Commission and a contract signed, a draft of the report must be submitted to the

Commission for review no later than 120 days from the date of contract confirmation. The Commission will then endeavor to provide comments and requests for adjustments within 30 days; subsequently, the final report must be submitted within 30 days of formal receipt of the Commission's comments. The Commission recognizes that, under certain circumstances, a contractor may wish to have more time to prepare the first draft of the report under the contract. The contractor, in their initial submission, should stipulate the time frame for submissions of the initial review draft. It is to be understood, however, that time is of the essence in completing research contracts for the Commission.

4. As work on the report progresses, the Commission's Research Coordinator shall act as a representative of the Commission in monitoring the progress, quality, and responsiveness of the report to the major issues of concern identified in the RFP. The Research Coordinator shall, on request to the contractor, be entitled to informal briefings on the status of the research work and to readings of the draft in progress.
5. The contract shall be subject to termination if the Commission deems that the work is of unsatisfactory quality.
6. At the Commission's discretion, the report procured via this Request for Proposal may be posted on the Commission's website.
7. Each organization or individual responding to this request must warrant that it/he/she will perform this work solely for the Commission, and that the resulting report will not be shared with other parties without the prior written consent of the Commission.
8. The Commission expects contractors to identify all personnel working on the contract, and that there not be any delegation of responsibilities to other parties without prior written approval of the Commission.
9. After completion of the report, the Commission staff, in consultation with the Contractor, will prepare a short summary of the research for posting on the Commission's web site and other media. The Commission staff shall consult with the contractor in preparing said document.
10. A contractor will be expected to participate, as appropriate, in activities relating to the dissemination of a final report, at the discretion of the Commission. Briefing requests will be reasonable and will be subject to mutual agreement.

Primary Selection Criteria:

1. The Commission will determine which organization or individual responding to this request will be awarded the contract based on a comprehensive "best value"

analysis of the proposals received, to include costs, technical value, and ability to complete the work satisfactorily and on time.

2. The primary weighting criterion in selection shall be the assessed qualifications and ability of an organization or individual to address the fundamental research points enunciated above (“key issues and questions to be addressed by the report”).
3. The cost and amount of time necessary to complete the report will also be considered as criteria in the selection process.

Proposal submissions should include:

1. A statement of the applicant’s relevant qualifications to satisfy the terms of this request for proposals (RFP), to include curricula vitae for personnel intended for work on the project;
2. A description of the research methodology the applicant proposes to employ. In describing methodology, the submission should provide detailed descriptions of the sources and methods that will be used to research the report’s topic and the extent to which Chinese language sources, if any, and other primary materials will be used;
3. An estimate of the time the applicant will need to complete the required work;
4. The price the applicant will charge to the Commission to complete the work set forth in this RFP.

Firms and individuals wishing to submit a proposal in response to this Request for Proposal must ensure that the response arrives at the following location by **5:30 PM on July 9th, 2010** or it will not be accepted or considered.

Electronic submissions are acceptable.

Proposals, as well as any other correspondence related to this matter, should be directed to:

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June 17, 2010

**Memorandum: A Comparison of Recent Green Technology Reports
vs. the USCC's RFP for Green Technology Research (USCC-016)**

In light of the publication of recent think tank and industry reports on green technology development in China, the U.S.-China Economic and Security Review Commission (hereafter "the Commission") has reviewed these reports and decided to modify its earlier (Feb. 9, 2010) request for proposals (RFP) accordingly.¹ The Commission has made the following conclusions:

- *Industrial Policy:* Taken as a group, the reports provide sufficient coverage of PRC industrial policy, and adequately illustrate the incentives (subsidies, tax breaks, protectionist policies, etc.) used to promote domestic Chinese companies over foreign competitors.² *No further in-depth research on Chinese industrial policy is required, although the Commission is interested in seeing research on parallel U.S. policies to promote green technology development.*
- *Technological Developments:* The reports provide information about the state of technology development in selected Chinese industries, but they do not provide comprehensive coverage in these areas. They also do not provide a comprehensive comparison of U.S./Chinese green technology developments. Also, they do not address in a comprehensive fashion the prominent companies and research institutions involved in green technology development in each country. *The Commission desires further research to cover current/emerging*

¹ Reports examined by the Commission for the purposes of this review are: (1) The Climate Group, "China's Clean Revolution II: Opportunities for a Low Carbon Future" (August 2009). Available at: <http://www.theclimategroup.org/publications/2009/8/20/chinas-clean-revolution-ii-opportunities-for-a-low-carbon-future/>; (2) Gordon, Wong, and McLain, "Out of the Running?: How Germany, Spain, and China Are Seizing the Energy Opportunity and Why the United States Risks Getting Left Behind," (Center for American Progress, March 2010). Available at: http://www.americanprogress.org/issues/2010/03/pdf/out_of_running.pdf; (3) Dewey & LeBoeuf LLP (on behalf of the National Foreign Trade Council), "China's Promotion of the Renewable Electric Power Equipment Industry: Hydro, Wind, Solar, Biomass" (March 22, 2010). Available at: <http://www.nftc.org/default/Press%20Release/2010/China%20Renewable%20Energy.pdf>; (4) Pew Charitable Trusts, "Who's Winning the Clean Energy Race?: Growth, Competition and Opportunity in the World's Largest Economies" (March 24, 2010). Available at: http://www.pewtrusts.org/our_work_report_detail.aspx?id=57969

² The report prepared by Dewey & LeBoeuf (for the National Foreign Trade Council – see footnote #1) gives extensive treatment to Chinese government policies intended to promote green tech industries. A long chapter (pp. 15-38) provides an overview of such policies, with additional information particular to the hydro/wind/solar/biomass sectors provided in those individual sections.

“state of the art” in green technologies and the institutions working on them, as well as the comparative state of U.S./Chinese efforts.

- WTO / Trade Policies: None of the reports addresses in depth the questions on WTO commitments, trade balances, market access, etc. raised in the Commission’s earlier RFP. *The Commission desires to see focused research to better illuminate the trade aspects of green technology development in China and the United States.*
- Joint Ventures & Technology Transfer: Issues regarding the role of joint ventures established in China by foreign firms, and the role they may play in both technology development and technology transfer, have not been addressed in these reports. *The Commission desires to see research focused on this topic.*

The RFP accompanying this memo (Federal Business Opportunities solicitation number USCC-017, dated June 17, 2010) supersedes an earlier RFP on this topic released by the Commission (FBO solicitation number USCC-016, dated Feb. 9, 2010).

Questions for further clarification may be directed to Mr. John Dotson, Research Coordinator for the Commission’s, via the contact data below.

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